

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 97-239-C - ORDER NO. 2005-296  
JUNE 6, 2005

IN RE: Proceeding to Establish Guidelines for an	)	ORDER APPROVING
Intrastate Universal Service Fund	)	REQUEST FOR
	)	AUTHORIZATION
	)	

This matter comes before the Public Service Commission of South Carolina (the Commission) pursuant to the December 15, 2004 request of the Office of Regulatory Staff (ORS) for authorization to utilize Universal Service Fund (USF) monies to increase awareness of the State's Lifeline and Link-up programs and to qualify certain households in the State that are eligible to receive the benefits of these services.

As pointed out in ORS' December 15, 2004 letter, the "Guidelines for South Carolina Universal Service Fund (USF)" adopted in Commission Order No. 2001-996 state, "The Commission shall take the necessary steps to maximize the benefit of the FCC's federal Lifeline program for qualified telecommunications customers in the State of South Carolina." (p. 10 of the Guidelines). ORS is taking on the responsibilities of administering this program and is seeking for the Commission to allow funds to be allocated to the USF administrative expense component.

ORS proposes a two-pronged approach in order to qualify and educate participants in the Lifeline program. First, in order to capture those citizens who are not currently receiving Lifeline benefits but are entitled to such, the ORS will implement an

outreach campaign. Annual funding will be needed for a full time employee position in order to administer this part of the program. Second, according to ORS, a “qualifier” would be needed who is skilled in dealing with low income applicants. Also, monies for other start-up costs, such as computer time, marketing, and training associated with the Lifeline program would be needed. ORS requests these additional funds from the USF. The total amount originally sought from the South Carolina USF was \$263,543.

After publication of a Notice of Filing and Hearing, a hearing was held on this matter in the offices of the Commission on April 20, 2005 at 10:30 AM, with the Honorable Randy Mitchell, Chairman, presiding. The Office of Regulatory Staff was represented by Wendy B. Cartledge, Esquire. ORS presented the testimony of Katie C. Morgan. With regard to the Intervenor, Patrick Turner, Esquire, represented BellSouth Telecommunications, Inc. (BellSouth), M. John Bowen, Jr., Esquire, represented the South Carolina Telephone Coalition (SCTC), Steven W. Hamm, Esquire, represented Verizon South, Susan Berkowitz, Esquire, represented the South Carolina Appleseed Legal Justice Center and Frank R. Ellerbe, III, Esquire, represented the South Carolina Cable Television Association (SCCTA).

Katie C. Morgan, Director of the Telecommunications, Transportation, Water and Wastewater Division of the Office of Regulatory Staff, testified. According to Ms. Morgan, the Lifeline Eligibility Verification process involves two steps: application and on-going verification. The first step requires the customer to complete a Lifeline Authorization Form and submit it to the Department of Social Services (DSS) or the Department of Health and Human Services (DHHS) for certification. Certification is

based on eligibility for Food Stamps, Temporary Assistance for Needy Families (TANF), or Medicaid. If the customer applies at the telephone company, he or she must make an additional trip to the DSS/DHHS for certification. Once DSS/DHHS certifies that the customer is eligible for one or more of the support programs, the agency submits the certified applications to the telephone company for processing. The on-going verification process involves the participating companies submitting electronic files of Lifeline participants to the Office of Research and Statistics for comparison to DSS and DHHS client files. Ms. Morgan noted that using the Office of Research and Statistics is an efficient way for the companies to validate their information while protecting the customers pursuant to HIPAA privacy requirements.

With regard to the Link-up Program, Ms. Morgan noted that Commission Order No. 87-1343 created that program. The Commission established participation in certain subsistence programs as the eligibility criteria for receiving Link-up benefits. Subsequently, the Commission adopted the eligibility requirements for the Link-up program as the eligibility criteria for the Lifeline program. These programs include TANF, Food Stamps and Medicaid. Each of these programs has different, but narrowly defined, income requirements as specified in the FCC rules and regulations, 47 C.F.R. 54.409.

Ms. Morgan discussed the need for an outreach coordinator, especially with regard to the Lifeline program. Ms. Morgan stated that there is very little outreach effort for the Lifeline program in the local county offices, due to lack of knowledgeable staff.

Further, there may be some eligible consumers who may not be participating in the program because they have not filed for the approved subsistence programs.

In addition, Ms. Morgan stated that the Incumbent Local Exchange Carriers (ILECs) have expressed a concern that there is a delay in their receipt of reimbursement from the state USF for Lifeline participants. Because the State USF Guidelines only require an annual true-up, it may be a year before the companies receive reimbursement from the program expansion. Ms. Morgan noted that the Commission may want to consider modifying the existing USF guidelines to enable a true-up for Lifeline to occur more frequently than once per year.

As a final point, Ms. Morgan testified that, since the original submission by ORS, that agency has learned of the computerized process used for verification of continuing eligibility that was coordinated between the companies, DSS, DHHS, and the Office of Research and Statistics. Because this program is in place, ORS would remove the original request for \$15,000 for computer programming, and would reduce the amount of contractual services listed under the Outreach Coordinator from \$70,000 to \$35,000. Thus, ORS' request for funding from the USF would be reduced from \$263,543 to \$213,543.

Ms. Morgan noted that ORS' original proposal was to assist BellSouth in extending the Lifeline program to those households in the BellSouth Territory that are at or below 125% of the poverty level. However, Ms. Morgan testified before the Commission that the employees hired in the new positions sought by ORS would work to

promote participation in the Lifeline and Linkup programs among all eligible beneficiaries in South Carolina. We note that no party opposes the ORS proposal.

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. The Office of Regulatory Staff (ORS) seeks funding in the amount of \$213,543 annually in administrative expenses from the South Carolina Universal Service Fund (USF) for the purpose of increasing awareness of the State's Lifeline and Link-up programs and to qualify certain households in the State.

2. ORS proposes hiring two people for this purpose, an outreach coordinator and a qualifier.

3. The program would be available to expand the Lifeline and Link-up programs throughout the State of South Carolina.

4. No party opposes the ORS proposal.

5. The ORS proposal should be approved.

**ORDER**

The request of the Office of Regulatory Staff for \$213,543 in administrative expenses annually from the State Universal Service is approved for use in expanding the Lifeline and Link-up programs in South Carolina in a manner consistent with this Order. Furthermore, ORS shall annually update the Commission on its progress in promoting

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